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C O N F I D E N T I A L SECTION 01 OF 02 KIRKUK 000073

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SUBJECT: KRG UNIFICATION: PLOTTING A PATH

REF: (A) KIRKUK 57, (B) KIRKUK 39

CLASSIFIED BY: Scott Dean, Acting Regional Coordinator, , REO
Kirkuk, DoS.
REASON: 1.4 (b), (d)

¶1. (C) SUMMARY. KRG PM Barzani told RC(A) March 29 that that each of the dual Erbil and Sulaymaniyah KRG ministries would form a committee to consider who should get the top jobs in the unified ministry and to find new jobs for redundant incumbents. No one would suffer a pay cut. The PUK has agreed to the KDP's method for choosing deputy ministers; Barzani said the KDP wanted technocrats. He and KRG Deputy PM-elect Omar Fattah (PUK) would have the final say on nominations. Matching ministries would also form committees to iron out statutory/regulatory differences between them. Barzani said they would remove unqualified (read PUK) political appointees from the bench. Barzani said merging the two Asayish would prove more difficult than merging the Peshmerga. He would reduce the number of Peshmerga. They would retire or transfer some Asayish, but keep them on the government's payroll. Despite the public deadline, he did not expect the two KRG's to finish a joint capital budget by the end of 2006. END SUMMARY.

KURDISTAN REGIONAL GOVERNMENT CABINET FORMATION

¶2. (C) Cabinet Formation. KRG Prime Minister Nechirvan Barzani told RC(A) March 29 that the Kurdistan Democratic Party, the Patriotic Union of Kurdistan and the smaller parties they selected for the new, unified KRG Cabinet would meet March 30 to plot a roadmap for creating a cabinet. (Barzani has since announced publicly they hope to form a cabinet by mid April.) PM Barzani predicted to RC(A) that each of the dual ministries (e.g., Erbil KRG Education Ministry and its Sulaymaniyah KRG counterpart) would form a committee of the two ministers, deputy ministers and top staff down to the Chiefs of Staff to consider who should get the top jobs in the unified ministry and to find new jobs for redundant incumbents. Whether officials such as Directors General were retired or moved to a different appointment, no one would suffer a pay cut (see ref A).

¶3. (C) Barzani said they wanted technocrat deputy ministers. Parties would each would submit 3-4 nominations and the committee would select the best candidate. (NOTE: As reported ref A, the PUK had resisted this method because it could allow the KDP to choose PUK nominees from different PUK factions, while the KDP is more united. END NOTE.) Barzani said that Iraqi President Talabani had pledged PUK's "full support" for this method.

¶4. (C) Barzani said both the KDP and PUK could veto committee nominees. The March 30 meeting would set deadlines for party nominations. He and KRG Deputy PM-elect Omar Fattah (PUK) would have the final say on nominations.

MERGING MINISTRIES

¶5. (C) Justice Ministries. Barzani said matching ministries would also form committees to iron out statutory/regulatory differences between the two KRG's over KRG-Sulaymaniyah regulations predating the Kurdistan National Assembly. The two KRG's felt so strongly about this that they had already worked on two such bills: the foreign investment law and the anti-terrorism law. Barzani said the KRG-S Justice Minister had admitted that some of his judges were not qualified. Barzani said they would remove these political appointees to improve the judiciary. This was why the KDP and PUK had agreed it would take longer to merge the justice ministries. (COMMENT: Some smaller parties have complained about the anti-terrorism bill. The KRG-E requires 10 years of legal experience for appointment to the bench; the KRG-S requires 8-9. The KDP's stance may be more a matter of forcing out PUK appointees. Judges must bow to political pressures in both KRG judicial systems, no matter how technically well qualified. Ref C. END COMMENT.)

¶6. (C) Asayish. Barzani said the two Asayish (internal security forces) would be the most difficult forces to merge. The KRG planned to create initially a new 500-man force under a unified command and then expand it. He said merging the two Peshmerga (regional defense forces) was easier since they stayed in units, were used to following orders from a central point, and could be retired to the "Forest Peshmerga." (NOTE: His own minister told RC(A) less than 3 hours earlier (septel) that

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there were no plans to merge Peshmerga. END NOTE.) Barzani said they would reduce the number of Peshmerga. They would retire Asayish with good salaries or transfer them to public service ministries. Because they had no prospects for private sector work, most Asayish wanted to stay on the government's payroll.

¶7. (C) Finance. Barzani said merging the finance ministries faced two major hurdles: equalizing government salaries and creating a joint capital budget. Despite the public deadline, he did not expect them to finish a joint capital budget even by the 2006 fiscal/calendar year.
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